(d) The working of other coal-based plants in the country has shown that coal gasification technology for production of ammonia/urea has not proved to be cost effective. Hence, Government decided to wind up the Korba Project. A modern gas-based ammonia-urea plant has been set up at Vijaipur (M.P.) to meet the requirement of the state and other areas.

[*English*]

Revival of Agro-based Small Scale Sick Units

*789, SHRI S.M. LALJAN BASHA: Will the PRIME MINISTER be pleased to state:

(a) whether any action plan is being contemplated by the Government to revive the Agro-based small scale sick units; and

(b) if so, the steps being taken to provide technical assistance to such units?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF.P.J.KURIEN):(a) Various measures taken by the Government and financial institutions for the revival of small scale sick units are also applicable to the agro-based small scale sick units.

(b) If any technical assistance is a necessary input in the revival package of a potentially viable sick small scale unit, the same is also taken into consideration at the time of implementation of the package.

Foreign Investment Proposals

*790. SHRI GURUDAS KAMAT: Will the PRIME MINISTER be pleased to state:

(a) whether the Government have decided to grant automatic clearance to foreign investment proposals upto 51 percent;

(b) whether FERA clearance is also not required for foreign investment proposals; and

(c) if so, the broad details of the scheme?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF.P.J. KURIEN): (a) to (c). According to the Statement on Industrial Policy tabled in both the Houses of Parliament on July 24,1991, and the Press Note No. 11 (1991 Series) dated August 20, 1991, issued in pursuance thereof by the Ministry of Industry (Department of Industrial development), proposals for direct foreign investment will be dealt with on the following basis:

(a) Approval will be given for direct foreign investment upto 51% foreign equity in high priority investment upto 51% foreign equity in high priority industries (Annex III to the statement on Industrial policy) There shall be no bottlenecks of any kind in this process. Such clearance will be available if foreign equity covers the foreign exchange requirement for imported capital goods. The payment of dividends would be monitored through the Reserve Bank of India so as to ensure that outflows on account of dividend payments are balanced by export earnings over a period of time.

(b) Majority foreign equity holding companies primarily engaged in export activities.

The Reserve Bank of India will issue the necessary permission for the foreign equity investment under the Foreign Exchange Regulation act, 1973 (FERA) in the operation of sections 26(7),28, 29 and 31 of FERA.

All other foreign equity proposals will countinue to need prior clearance arid will be considered according to the existing procedures.

Investment limit for SSI

*791. SHRI DHARMANNA MONDAYYA SADUL: Will the PRIME MINISTER be pleased to state:

(a) whether the Government have re-